

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. PGA-03-45
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**ORDER APPROVING ANNUAL RECONCILIATION FILING**

(Issued October 31, 2003)

On October 1, 2003, Interstate Power and Light Company (IPL) filed its annual reconciliation of gas costs for the 12-month period ending August 31, 2003, pursuant to 199 IAC 19.10(7). Subrule 19.10(7) requires Iowa rate-regulated natural gas utilities to reconcile the actual net invoiced cost of purchased gas for each customer class to the actual revenues collected, net of the prior year's reconciliation amount plus any undistributed refunds. IPL filed a revision on October 31, 2003.

For the 12-month period ending August 31, 2003, IPL calculated it had undercollected revenues from its Firm and Interruptible customers in the amounts of \$10,542,466 and \$3,079,751, respectively. Volumes and costs related to the "WorryProof Bill" pilot program have been excluded from the purchased gas adjustment (PGA) factor, consistent with the Utilities Board's (Board) order in Docket No. TF-03-358. That order, issued August 21, 2003, approved the "WorryProof Bill" pilot program to provide customers the option of receiving a guaranteed and pre-determined annual gas bill spread over 12 equal monthly payments. In approving the "WorryProof Bill" program, the Board required that costs and revenues from the program would be excluded from the PGA factor.

The Board has reviewed the annual reconciliation filing and finds that it complies with 199 IAC 19.10(7) and adequately supports the undercollection calculation. The Board will approve the annual reconciliation.

On October 16, 2003, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a conditional objection to IPL's annual reconciliation filing stating that it needed additional time to review the filing. On October 23, 2003, the Board docketed the annual reconciliation filing. On October 31, 2003, Consumer Advocate filed a withdrawal of the objection, stating that IPL would file a revision to the annual reconciliation resolving all outstanding issues and the objection is withdrawn subject to verification. IPL filed the required revision on October 31, 2003. It is the Board's understanding that verification will occur each month as Consumer Advocate reviews the monthly purchased gas adjustment and the objection to the annual filing is withdrawn.

**IT IS THEREFORE ORDERED:**

The annual reconciliation filed by Interstate Power and Light Company on October 1, 2003, as revised on October 31, 2003, is approved.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 31<sup>st</sup> day of October, 2003.